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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 05/22/12 AND ENDING 12/31/12
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Eight Pines Securities, L.L.C.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

77 W. Wacker Drive, Suite 4000

(No. and Street)

Chicago

IL

60601-1842

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael A. Fixler

312-220-0135

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

MRPR Group, P.C.

(Name - if individual, state last, first, middle name)

28411 Northwestern Hwy., Suite 800, Southfield

Michigan

48034

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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EIGHT PINES SECURITIES, LLC

FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
PURSUANT TO RULE 17a5 OF THE
SECURITIES AND EXCHANGE COMMISSION

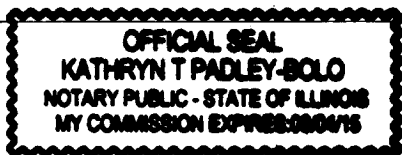
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INDEPENDENT AUDITORS' REPORT

FOR THE PERIOD FROM
MAY 22, 2012 TO DECEMBER 31, 2012

OATH OR AFFIRMATION

I, Michael A. Fixler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Eight Pines Securities, L.L.C., as of December 31, 20 12, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



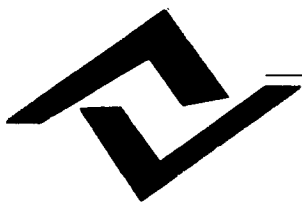
[Signature]
Signature
Chief Executive Officer
Title

Kathryn T. Padley-Solo
Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditors' report on internal control structure.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



INDEPENDENT AUDITORS' REPORT

Sole Member
Eight Pines Securities, LLC
Chicago, Illinois

We have audited the accompanying statement of financial condition of Eight Pines Securities, LLC (the Company), as of December 31, 2012, and the related statements of operations, changes in member's equity and cash flows for the period of May 22, 2012 (date operations commenced) to December 31, 2012 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eight Pines Securities, LLC as of December 31, 2012, and the results of its operations and its cash flows for the period of May 22, 2012 (date operations commenced) to December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedules I, II and III is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedules I, II and III has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Schedules I, II and III is fairly stated in all material respects in relation to the financial statements as a whole.

M R P R Sharp, P.C.

Southfield, Michigan
February 20, 2013

EIGHT PINES SECURITIES, LLC
FOR THE PERIOD FROM MAY 22, 2012 TO DECEMBER 31, 2012

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EIGHT PINES SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2012

ASSETS

Cash and cash equivalents	\$ 25,090
Prepaid expense	2,025
Deposit	<u>303</u>
Total assets	\$ <u>27,418</u>

LIABILITY AND MEMBER'S EQUITY

Liability - accounts payable	\$ 270
Member's equity	<u>27,148</u>
Total liability and member's equity	\$ <u>27,418</u>

See notes to financial statements.

EIGHT PINES SECURITIES, LLC

STATEMENT OF OPERATIONS
FOR THE PERIOD FROM MAY 22, 2012 TO DECEMBER 31, 2012

REVENUES:

Other revenues	\$ 18
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OPERATING EXPENSES:

Regulatory expenses	3,727
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Direct and shared expenses	<u>52,174</u>
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Total operating expenses	<u>55,901</u>
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NET LOSS	\$ <u>(55,883)</u>
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See notes to financial statements.

EIGHT PINES SECURITIES, LLC

**STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE PERIOD FROM MAY 22, 2012 TO DECEMBER 31, 2012**

BALANCE, AT BEGINNING OF PERIOD	\$ -
MEMBER CONTRIBUTION	83,031
NET LOSS	<u>(55,883)</u>
BALANCE, AT END OF PERIOD	\$ <u>27,148</u>

See notes to financial statements.

EIGHT PINES SECURITIES, LLC

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM MAY 22, 2012 TO DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (55,883)
Adjustments to reconcile net income to net cash used in operating activities:	
Prepays and other assets	(2,328)
Accounts payable	<u>270</u>
Net cash used in operating activities	(57,941)

CASH FLOWS FROM FINANCING ACTIVITIES:

Member contributions	83,031
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CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

-

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 25,090

See notes to financial statements.

EIGHT PINES SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies

Organization - Eight Pines Securities, LLC (the Company) was formed for the purpose of doing business as a broker-dealer, operations commenced May 22, 2012. The Company is a wholly owned subsidiary of Variant Capital Advisors, LLC and is a member of the National Association of Securities Dealers and monitored by Financial Industries Regulatory Authority (FINRA). The Company is a securities broker-dealer that introduces transactions and accounts on a fully disclosed basis and does not carry customer accounts or hold customers securities or introduce accounts on a fully-disclosed basis to a clearing firm.

Use of estimates in the preparation of financial statements - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and expenses recognition - During the period May 22, 2012 to December 31, 2012, revenues consisted of other miscellaneous income.

Computation of customer reserve - The Company is exempt from customer reserve requirements and providing information relating to possession or control of securities pursuant to Rule 15c3-3 of the Securities and Exchange Act of 1934. The Company meets the exempting provisions of Paragraph (k)(2)(ii).

SIPC assessment accountants' report - Because the Company's revenues are less than \$500,000, the supplemental accountants' report required by SEC Rule 17A-5(e)(4), relative to Securities Investor Protection Corporation assessments, is not required.

Income taxes - The Company is a limited liability company under the Internal Revenue Code. Because of this election, Federal income taxes are not provided for in the accompanying financial statements.

Cash and cash equivalents - The Company considers any investment with a maturity of three months or less at date of purchase to be cash or cash equivalent. At December 31, 2012, cash consists of cash in bank accounts.

Events occurring after reporting date - The Company has evaluated events and transactions that occurred between December 31, 2012 and February 20, 2013, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

EIGHT PINES SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 2 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission "Uniform Net Capital Rule" (Rule 15c3-1), which requires the maintenance of minimum net capital at an amount equal to the greater of \$5,000 or 6 2/3 % of aggregate indebtedness, and requires that the ratio of aggregate indebtedness to net capital not exceed 15 to 1.

At December 31, 2012, the Company had net capital of \$25,123 which was \$20,123 in excess of the required capital of \$5,000.

NOTE 3 - Transactions with Related Company

The Company is affiliated with a professional corporation who provides most of the administrative services under a shared expense operating agreement. The financial statements are not necessarily indicative of the conditions that would have existed, or the results of operations that would have occurred, had the Company been an unaffiliated company. The Company reimbursed its affiliated company from May 22, 2012 to December 31, 2012 for shared administrative expenses including compensation, rent, overhead, etc. in the amount of \$34,264.

All regulatory and other start-up cost prior to the first day of operations, May 22, 2012, were paid by the 100% owner of the Company.

NOTE 4 - Subsequent Events

The Company has evaluated events and transactions that occurred between December 31, 2012 and February 20, 2013, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

EIGHT PINES SECURITIES, LLC

DECEMBER 31, 2012

**SUPPORTING SCHEDULES PURSUANT TO RULE 17a-5 OF THE
SECURITIES AND EXCHANGE COMMISSION**

EIGHT PINES SECURITIES, LLC

**I SCHEDULE OF COMPUTATION OF NET CAPITAL
AS OF DECEMBER 31, 2012**

NET CAPITAL:	
Member's equity	\$ 27,148
DEDUCT:	
Total non-allowable prepaid expense from the statement of financial condition	<u>(2,025)</u>
NET CAPITAL	25,123
MINIMUM REQUIRED NET CAPITAL	<u>5,000</u>
EXCESS NET CAPITAL	\$ <u>20,123</u>

**Reconciliation with the Company's Net Capital Computation as Reported
in the Unaudited FOCUS Report Form X-17A-5 Part IIA**

Excess net capital as reported in the unaudited FOCUS Report	\$ 22,148
Audit adjustment – Less non-allowable prepaid expense	<u>(2,025)</u>
Excess net capital as reported in the audited FOCUS Report	\$ <u>20,123</u>

EIGHT PINES SECURITIES, LLC

**II SCHEDULE OF COMPUTATION OF
AGGREGATE INDEBTEDNESS
AS OF DECEMBER 31, 2012**

NET CAPITAL	\$ 25,123
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LIABILITIES	\$ 270
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PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	1.07 %
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EIGHT PINES SECURITIES, LLC

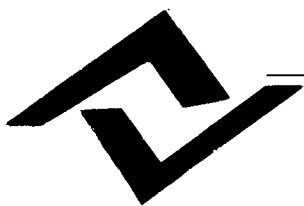
DECEMBER 31, 2012

**III SCHEDULE OF COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENTS FOR BROKER/DEALER UNDER RULE 15c3-3**

Eight Pines Securities, LLC is exempt from the Computation for Determination of Reserve Requirement for Broker/Dealer under Rule 15c3-3 of the Securities and Exchange Commission because of the exemption provided under Rule 15c3-3(k)(2)(ii), as a broker/dealer, "who as an introducing broker/dealer, clears all transactions with and from customers on a fully disclosed basis with clearing broker/dealer..."

EIGHT PINES SECURITIES, LLC
REPORT ON INTERNAL CONTROL
DECEMBER 31, 2012

**PURSUANT TO RULE 17a-5(g) OF THE
SECURITIES AND EXCHANGE COMMISSION**



Sole Member
Eight Pines Securities, LLC
Chicago, Illinois

In planning and performing our audit of the financial statements of Eight Pines Securities, LLC (the Company), as of and for the period from May 22, 2012 to December 31, 2012 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operations may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of the Members, management, the SEC and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

M R P R Group, P.C.

Southfield, Michigan
February 20, 2013